

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement  
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant CMG Communications, LLC 79 Fifth Ave., 9th Floor, New York, NY 10003		2. Registration No.  5129
3. Name of foreign principal Virgin Atlantic Airways, Ltd.	4. Principal address of foreign principal 747 Belden Ave. Norwalk, CT 06850	
5. Indicate whether your foreign principal is one of the following type:  <input type="checkbox"/> Foreign government  <input type="checkbox"/> Foreign political party  <input checked="" type="checkbox"/> Foreign or <input type="checkbox"/> domestic organization: If either, check one of the following:  <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Association  <input type="checkbox"/> Committee <input type="checkbox"/> Voluntary group <input type="checkbox"/> Other (specify) _____  <input type="checkbox"/> Individual—State his nationality _____		

6. If the foreign principal is a foreign government, state: n/a

- a) Branch or agency represented by the registrant.  
b) Name and title of official with whom registrant deals.

RECEIVED  
DEPT. OF JUSTICE  
CRIMINAL DIVISION  
JUN 24 P4:55  
INTERNAL SECURITY  
SECTION  
REGISTRATION UNIT

7. If the foreign principal is a foreign political party, state: n/a

- a) Principal address  
b) Name and title of official with whom registrant deals.  
c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

Airline and Travel-related services

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Directed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Financed by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☒

Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☒

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

Virgin Atlantic Airways, Ltd. is a division of Virgin Group Limited, a United Kingdom corporation. It is owned and managed by Virgin Group Limited.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it. n/a

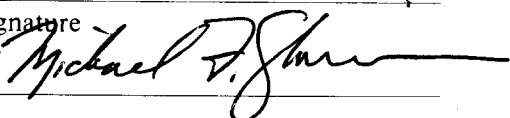
Date of Exhibit A

6/24/96

Name and Title

Michael F. Glavin, Managing  
Director

Signature



**INSTRUCTIONS:** A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

**Privacy Act Statement.** Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

**Public Reporting Burden.** Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Name of Registrant	Name of Foreign Principal
CMG Communications, LLC	5/29 Virgin Atlantic Airways, Ltd.

Check Appropriate Boxes:

- ☒ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
- ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- ☐ The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

- Describe fully the nature and method of performance of the above indicated agreement or understanding.

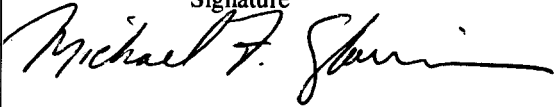
The 1996 Letter of Agreement between Virgin Atlantic Airways, Ltd. and CMG Communications, LLC is an agreement whereby CMG Communications, LLC shall render advertising and other marketing services to Virgin Atlantic Airways in the United States. CMG will render all the services customarily performed by advertising, direct response and graphic design firms. CMG will serve as sole Agency of Record for VAA and VAA will not authorize any other advertising agency to represent VAA as its primary marketing communications partner. CMG will not accept other advertising assignments which are directly competitive to VAA products and services without VAA's approval.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

CMG Communications, LLC shall serve Virgin Atlantic Airways, Ltd. as agency for advertising, direct response and collateral products and/or services in the United States. CMG will study VAA's business, provide marketing and advertising plans, create, produce and place advertising and marketing materials and provide such other services as may be necessary to achieve a completely integrated marketing program.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?<sup>1</sup>  
Yes ☐ No ☒

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Date of Exhibit B	Name and Title	Signature
6/24/96	Michael F. Glavin, Managing Director	

<sup>1</sup>Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

## Virgin Atlantic Airways/CMG Communications 1996 Letter of Agreement

This serves to renew the 1994/1995 agreement between Virgin Atlantic Airways, Ltd., 747 Belden Avenue, Norwalk, CT 06850 (hereinafter referred to as VAA) and CMG Communications, LLC, 79 Fifth Avenue, 9th Floor, New York, NY 10003 (hereinafter referred to as CMG) for advertising and other marketing services in the United States.

CMG and VAA mutually agree to operate under the following terms and conditions:

### I. SERVICES

a) As agency for advertising, direct response and collateral products and/or services, CMG will endeavor in every proper way to make VAA's marketing communications successful. Generally, CMG will render all the services customarily performed by advertising, direct response and graphic design firms. CMG will study VAA's business, provide marketing and advertising plans as VAA and CMG may mutually agree, create, produce and place advertising and marketing materials and provide such other services as may be necessary to achieve a completely integrated marketing program.

b) During the term of this agreement, CMG will serve as sole Agency of Record for VAA and VAA will not authorize any other advertising agency to represent VAA as their primary marketing communications partner. Likewise, CMG will not accept other advertising assignments which are directly competitive to VAA products and services without VAA's approval. An exception of this sub-paragraph will be the use of other agencies for special promotions and other media programs, which CMG and VAA agree as necessary to properly execute VAA marketing plans.

### II. AGENCY COMPENSATION

a) CMG will charge VAA for the production and placement of advertising as follows:

i) VAA shall pay, in consideration for advertising, creative and marketing services rendered and to be rendered to VAA by CMG, a flat monthly fee beginning February 1, 1996 of \$149,000, plus in each case documented out-of-pocket costs to third parties. This retainer fee shall be paid by the first of each month for the term of this agreement. CMG and VAA will review the fee on an annual basis, to determine whether adjustment of VAA compensation to CMG may be appropriate. January shall be the month for such annual review. If, however, there is a significant change in the scope of work provided by CMG to VAA during the course of a year, a review of CMG's compensation shall occur at such time.

ii) For purchases from outside vendors of media time and space, all advertising production and other non-media purchases, including but not limited to all non-printing related production costs of advertising and collateral materials, CMG will charge VAA net out-of-pocket cost. CMG shall charge VAA a 5% fixed print production handling charge on the total, excluding tax and shipping charges, of outside printing vendor invoices.

RECEIVED  
DEPT OF JUSTICE  
CRIMINAL DIVISION  
JUN 24 P4:56

iii) When it is mutually agreed that CMG shall provide services normally handled by outside vendors, such as typesetting, illustration and photo retouching, CMG shall bill VAA studio fees, at the rate of no more than \$100 per hour. Mechanicals, both camera-ready and electronic, prepared for the printing of advertising and collateral materials, shall be billed to VAA at a flat rate according to a cost schedule mutually agreed to by VAA and CMG.

b) CMG will not charge VAA for professional time and services, including marketing, art direction, graphic design, copy, layout, media planning and buying, traffic, secretarial and accounting services. When VAA request "tighter" layouts of the proposed ads, storyboards or collateral materials than CMG normally prepares when presenting ideas (requiring elements such as typesetting, outside artist illustrations, paste-up assembly, etc.) CMG will charge VAA at a rate of no more than \$75 per hour.

c) As agent for VAA, CMG shall make financial commitments on VAA's behalf to media and other vendors only after prior approvals have been received by CMG from VAA.

d) All travel, entertainment expenses, messenger service, long distance telephone, postage, freight charges and copyright registration and other legal fees, incurred on VAA's behalf will be charged at CMG's out-of-pocket cost. CMG will also charge VAA for all applicable sales, use and other taxes incurred on VAA's behalf.

e) For research prepared or conducted by outside suppliers supervised by CMG, and authorized by VAA, CMG will charge VAA net out-of-pocket cost. Virgin agrees, that if research services normally handled by outside vendors, including but not limited to recruiting, phone surveys, focus group monitoring and reports, are to be conducted directly by CMG, appropriate fees will be charged to VAA upon signed estimate.

f) CMG will charge VAA net out-of-pocket costs for all applicable talent payments and related expenses incurred on VAA's behalf, including: session fees, P&W, taxes, agent fees, handling fees, re-use fees and holding fees, throughout the life of the TV or radio commercial, print or out-of-home advertising or any collateral material. In the event of the termination of this agreement, VAA's responsibility for these payments shall survive such termination.

### III. BILLING PROCEDURES

a) VAA will pay all for media costs prior to the start date of such media activity upon approval of signed media authorization. Advertising and collateral production costs will be paid by VAA on signed estimate. Final adjustment billing for both media and production will occur within (45) days after project closure and receipt of vendor invoices. In instances where advance payments to suppliers are required (e.g., television commercial production charges), CMG will bill VAA in advance and VAA will pay CMG in time to meet the required payment terms. All invoices will be payable by VAA upon receipt.

#### IV. RESPONSIBILITIES OF AGENCY AND CLIENT

- a) CMG will obtain the necessary releases, licenses, permits and other authorizations to use photographs and other copyrighted materials belonging to third parties obtained by CMG for use in performing services for VAA.
- b) VAA will be responsible for the accuracy, completeness and propriety of information concerning VAA products and services that is furnished to CMG by VAA.
- c) CMG will follow VAA's written instructions regarding the lawful and proper use of designations of VAA trade names, trademarks and copyrights. CMG will not, however, be responsible for any failure by any third party, including any media, to properly designate any trade names, trademarks or copyrights belonging to VAA unless such failure is due to CMG's negligence in following VAA's written instructions. CMG will also endeavor to guard against loss to VAA as a result of failure of third parties to properly execute their commitments, but in the absence of gross negligence by CMG, CMG will not have any responsibility for any such failure.
- d) CMG will take every reasonable precaution to safeguard any and all of VAA property entrusted to CMG's custody or control, but in the absence of CMG's gross negligence, or willful disregard by CMG of VAA property rights, CMG will not be responsible for any loss, damage, destruction or unauthorized use by others of any such property.
- e) Nothing in this agreement shall be construed as committing CMG to violate any lawful contractual commitments to third parties or as requiring CMG to undertake any campaign, prepare any advertising or collateral material or publicity, cause publication of any advertisement or article, or engage in any other conduct that in CMG's sole judgment would be misleading, indecent, libelous, unlawful, or otherwise prejudicial to CMG's interests.
- f) Advertising plans, ideas and any other works or materials prepared by CMG (collectively "Works") and not completely paid for by VAA (including advertisements not already produced and not completely paid for by VAA) shall remain CMG's property (including all copyrights therein) regardless of whether or not in a tangible form or whether or not in VAA possession. Tangible embodiments of such Works, as described above, that are in VAA's possession, shall be returned to CMG by VAA. With respect to Works for which VAA has paid all fees, costs and other sums payable pursuant to this agreement, and provided that VAA is not in breach of this agreement, CMG shall assign, and does hereby assign, to VAA all of rights to copyrights. Without additional consideration VAA and CMG shall agree to execute and deliver, promptly to the other upon request, such written instruments, testify in any legal proceeding and do such other acts as may be necessary to secure and maintain for the other its rights in Works as and to the extent described in this paragraph. CMG agrees that Works with respect to which VAA is entitled to copyright ownership, as described in this paragraph, shall be considered "a work made for hire", it being agreed that they constitute "audiovisual works", "collective works" or "supplemental works" subject to, and as all of these terms are defined in, 17 U.S. Code Section 101.

## V. INDEMNIFICATION

a) Subject to the conditioned availability of standard advertising agency liability policies similar to the policy currently utilized by CMG ("Insurance"), CMG agrees to indemnify VAA against any liability and expenses (including reasonable attorney's fees and costs) imposed upon VAA resulting from libel, slander, defamation, copyright, title or slogan infringement, invasion of privacy or violation of trademark, trade name, trade dress, service mark, service name or patent (collectively "Violations"). Notwithstanding the foregoing, CMG will have no liability hereunder for any Violations arising out of or relating to CMG's reliance upon information furnished to CMG by VAA or on VAA's behalf. In addition, if during the term of this agreement such Insurance becomes unavailable, or is available only at substantially increased costs and CMG elects not to continue such Insurance, CMG will give VAA a minimum of thirty days written notice thereof (the "Insurance Termination Notice") and CMG's obligations to indemnify VAA pursuant to this paragraph V shall terminate and VAA shall have the right to cancel this agreement, notwithstanding anything contained in paragraph VII(a), effective immediately upon its receipt of the Insurance Termination Notice.

b) CMG will use its business judgment in the preparation and placement of any advertising, collateral material, publicity or other materials for VAA, with a view to avoiding claims, proceedings or suit being made or instituted against VAA or CMG. Except as expressly provided in paragraph V(a) above, VAA agrees to indemnify CMG against any loss, liability or expense (including reasonable attorneys' fees and costs) which CMG may incur at any time as a result of any claim, suit or proceedings made or brought against CMG based upon:

i) Any services rendered by CMG or any advertising, collateral material, publicity or other materials which CMG may prepare for VAA and which VAA approves before its publication, broadcast or other use provided CMG is not negligent in providing such services;

ii) Assertions made for any of VAA products or services, or any of the products or services of any of VAA competitors, in any advertising, collateral material, publicity or other materials CMG may prepare for VAA and which VAA approves before publication, broadcast or other use;

iii) Any actual or alleged defect in any product manufactured or sold, or any service provided by VAA;

iv) Any advertising or collateral element or information which is furnished to CMG by VAA or on VAA's behalf and which allegedly violates the rights of anyone; and or

v) Use of any commercials, advertisements or collateral material, publicity or other materials by VAA or by VAA's marketing or sales partners or agents or anyone authorized or permitted by VAA when such claim, suit or proceeding arises out of CMG's obligations under the applicable union codes or applicable production, talent or other contracts relating to the production and use of above stated materials.



## VI. PROJECT CANCELLATION

VAA reserves the right, at its sole discretion, to modify, reject, cancel or stop any and all agreements or commitments entered into by CMG on VAA's behalf, as well as all plans, schedules or work in progress. In any such event, CMG shall immediately take proper steps to minimize VAA's liability for all such commitments and to cancel, modify or assign such commitments according to VAA's direction. VAA will pay CMG, in accordance with the provisions of this agreement, any and all proper charges earned or incurred by CMG in connection with such work up to the time of its discontinuance, cancellation or modification. VAA will also pay all non-cancelable costs, including short rates, arising in connection with such commitments and will indemnify CMG against all claims and actions by third parties for losses, damages and expenses in consequence of carrying out VAA's instructions.

## VII. TERM

a) This agreement shall become effective the first (1) of February, 1996. This agreement may be terminated by ninety days written notice given by either party to the other and sent by registered mail to the principle place of business of the party to whom such notice is addressed.

b) CMG's rights, duties and responsibilities will continue in full force during the period of notice including the ordering and billing of advertising in media whose closing dates or broadcast dates fall within such period, and CMG will be entitled to the agreed upon monthly fee amount during the period of notice.

c) After the expiration of the ninety-day interval following notice of termination of this agreement, no rights or liabilities shall arise out of the relationship between the parties, regardless of any plans which may have been made for future advertising, except that any non-cancelable contract made by CMG on VAA's behalf, and authorized by VAA, and still existing at the expiration of the agreed-on interval following notice, shall be paid for by VAA unless mutually agreed in writing to the contrary, in accordance with the provisions herein.

d) Upon termination of this agreement, and provided that all outstanding charges for which VAA are liable have been paid, CMG will transfer and make available to VAA or VAA representatives all property and materials in its possession or control belonging to and paid for by VAA. CMG also agrees to give VAA all reasonable cooperation toward transferring with approval of third parties in interest all reservation, contracts and arrangements with advertising media, or others, for advertising space, broadcasting time, or materials yet to be used and all rights and claims thereto and therein, upon being released from the obligations thereof.

e) Unused advertising plans and ideas prepared by CMG and not paid for by VAA, or any advertisements not already produced and completely paid for by VAA shall remain CMG's property (including all copyrights therein) regardless of whether or not the physical embodiment of the creative work is in VAA's possession in the form of copy, art work, plates, recordings, film, videotape, etc. VAA agrees to return to CMG any physical embodiment of the creative work relating to such matters, which may be in VAA's possession upon termination.

f) Notwithstanding anything to the contrary set forth in this agreement, if either party cancels this agreement pursuant to Paragraph VII(a) above, all of the provision of Paragraph II above (including, VAA's obligation to pay CMG's minimum monthly guaranteed compensation) shall apply during the period, so long as CMG is not in material breach of CMG's obligation to render services to VAA during that period. Both VAA and CMG acknowledge and agree that if either party cancels this agreement pursuant to subparagraph (a) above, the continuation of CMG's minimum monthly guaranteed compensation during the period of notice is reasonable and will not constitute a penalty. VAA's obligations under this paragraph shall not limit any of CMG's other rights or remedies if VAA breaches this agreement.

## VIII. MISCELLANEOUS

a) This agreement shall be construed in accordance with the laws of the State of New York applicable to agreements executed and wholly performed in that State.

b) Any dispute arising out of, or under, this agreement shall be promptly submitted to, heard and determined by, the American Arbitration Association in Manhattan, New York City, or by any other New York arbitrator mutually agreed upon between the parties to the dispute, or disputes, and the determination of the arbitrator shall be binding upon the parties hereto, but the arbitrator shall not make any award which will alter, change, cancel or rescind any provision of this agreement, and the award shall be consistent with the provisions of this agreement. Any expenses in connection with that arbitration shall be paid for as determined by the arbitrator. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

c) The relationship between VAA and CMG is that of principal-agent and this agreement constitutes the entire agency engagement agreement between VAA and CMG.

Agreed:

By: 

Date: 2/1/96

David M. Tait  
Executive Vice President  
Virgin Atlantic Airways, Ltd.

By: 

Date: 2/1/96

Michael F. Glavin  
Managing Director  
CMG Communications, LLC